

1 AN ACT to implement the Educational Funding Advisory  
2 Board's recommendations.

3 Be it enacted by the People of the State of Illinois,  
4 represented in the General Assembly:

5 Section 5. The School Code is amended by changing  
6 Section 18-8.05 as follows:

7 (105 ILCS 5/18-8.05)

8 Sec. 18-8.05. Basis for apportionment of general State  
9 financial aid and supplemental general State aid to the  
10 common schools for the 1998-1999 and subsequent school years.

11 (A) General Provisions.

12 (1) The provisions of this Section apply to the  
13 1998-1999 school year and subsequent school years. The  
14 system of general State financial aid provided for in this  
15 Section is designed to assure that, through a combination of  
16 State financial aid and required local resources, the  
17 financial support provided each pupil in Average Daily  
18 Attendance equals or exceeds a prescribed per pupil  
19 Foundation Level. This formula approach imputes a level of  
20 per pupil Available Local Resources and provides for the  
21 basis to calculate a per pupil level of general State  
22 financial aid that, when added to Available Local Resources,  
23 equals or exceeds the Foundation Level. The amount of per  
24 pupil general State financial aid for school districts, in  
25 general, varies in inverse relation to Available Local  
26 Resources. Per pupil amounts are based upon each school  
27 district's Average Daily Attendance as that term is defined  
28 in this Section.

29 (2) In addition to general State financial aid, school  
30 districts with specified levels or concentrations of pupils  
31 from low income households are eligible to receive

1 supplemental general State financial aid grants as provided  
2 pursuant to subsection (H). The supplemental State aid grants  
3 provided for school districts under subsection (H) shall be  
4 appropriated for distribution to school districts as part of  
5 the same line item in which the general State financial aid  
6 of school districts is appropriated under this Section.

7 (3) To receive financial assistance under this Section,  
8 school districts are required to file claims with the State  
9 Board of Education, subject to the following requirements:

10 (a) Any school district which fails for any given  
11 school year to maintain school as required by law, or to  
12 maintain a recognized school is not eligible to file for  
13 such school year any claim upon the Common School Fund.  
14 In case of nonrecognition of one or more attendance  
15 centers in a school district otherwise operating  
16 recognized schools, the claim of the district shall be  
17 reduced in the proportion which the Average Daily  
18 Attendance in the attendance center or centers bear to  
19 the Average Daily Attendance in the school district. A  
20 "recognized school" means any public school which meets  
21 the standards as established for recognition by the State  
22 Board of Education. A school district or attendance  
23 center not having recognition status at the end of a  
24 school term is entitled to receive State aid payments due  
25 upon a legal claim which was filed while it was  
26 recognized.

27 (b) School district claims filed under this Section  
28 are subject to Sections 18-9, 18-10, and 18-12, except as  
29 otherwise provided in this Section.

30 (c) If a school district operates a full year  
31 school under Section 10-19.1, the general State aid to  
32 the school district shall be determined by the State  
33 Board of Education in accordance with this Section as  
34 near as may be applicable.

1 (d) (Blank).

2 (4) Except as provided in subsections (H) and (L), the  
3 board of any district receiving any of the grants provided  
4 for in this Section may apply those funds to any fund so  
5 received for which that board is authorized to make  
6 expenditures by law.

7 School districts are not required to exert a minimum  
8 Operating Tax Rate in order to qualify for assistance under  
9 this Section.

10 (5) As used in this Section the following terms, when  
11 capitalized, shall have the meaning ascribed herein:

12 (a) "Average Daily Attendance": A count of pupil  
13 attendance in school, averaged as provided for in  
14 subsection (C) and utilized in deriving per pupil  
15 financial support levels.

16 (b) "Available Local Resources": A computation of  
17 local financial support, calculated on the basis of  
18 Average Daily Attendance and derived as provided pursuant  
19 to subsection (D).

20 (c) "Corporate Personal Property Replacement  
21 Taxes": Funds paid to local school districts pursuant to  
22 "An Act in relation to the abolition of ad valorem  
23 personal property tax and the replacement of revenues  
24 lost thereby, and amending and repealing certain Acts and  
25 parts of Acts in connection therewith", certified August  
26 14, 1979, as amended (Public Act 81-1st S.S.-1).

27 (d) "Foundation Level": A prescribed level of per  
28 pupil financial support as provided for in subsection  
29 (B).

30 (e) "Operating Tax Rate": All school district  
31 property taxes extended for all purposes, except Bond and  
32 Interest, Summer School, Rent, Capital Improvement, and  
33 Vocational Education Building purposes.

34 (B) Foundation Level.

1           (1) The Foundation Level is a figure established by the  
2 State representing the minimum level of per pupil financial  
3 support that should be available to provide for the basic  
4 education of each pupil in Average Daily Attendance. As set  
5 forth in this Section, each school district is assumed to  
6 exert a sufficient local taxing effort such that, in  
7 combination with the aggregate of general State financial aid  
8 provided the district, an aggregate of State and local  
9 resources are available to meet the basic education needs of  
10 pupils in the district.

11           (2) For the 1998-1999 school year, the Foundation Level  
12 of support is \$4,225. For the 1999-2000 school year, the  
13 Foundation Level of support is \$4,325. For the 2000-2001  
14 school year, the Foundation Level of support is \$4,425.

15           (3) For the 2001-2002 school year and each school year  
16 thereafter, the Foundation Level of support is \$4,425 or such  
17 greater amount as may be established by law by the General  
18 Assembly.

19           (C) Average Daily Attendance.

20           (1) For purposes of calculating general State aid  
21 pursuant to subsection (E), an Average Daily Attendance  
22 figure shall be utilized. The Average Daily Attendance  
23 figure for formula calculation purposes shall be the monthly  
24 average of the actual number of pupils in attendance of each  
25 school district, as further averaged for the best 3 months of  
26 pupil attendance for each school district. In compiling the  
27 figures for the number of pupils in attendance, school  
28 districts and the State Board of Education shall, for  
29 purposes of general State aid funding, conform attendance  
30 figures to the requirements of subsection (F).

31           (2) The Average Daily Attendance figures utilized in  
32 subsection (E) shall be the requisite attendance data for the  
33 school year immediately preceding the school year for which  
34 general State aid is being calculated.

1 (D) Available Local Resources.

2 (1) For purposes of calculating general State aid  
3 pursuant to subsection (E), a representation of Available  
4 Local Resources per pupil, as that term is defined and  
5 determined in this subsection, shall be utilized. Available  
6 Local Resources per pupil shall include a calculated dollar  
7 amount representing local school district revenues from local  
8 property taxes and from Corporate Personal Property  
9 Replacement Taxes, expressed on the basis of pupils in  
10 Average Daily Attendance.

11 (2) In determining a school district's revenue from  
12 local property taxes, the State Board of Education shall  
13 utilize the equalized assessed valuation of all taxable  
14 property of each school district as of September 30 of the  
15 previous year. The equalized assessed valuation utilized  
16 shall be obtained and determined as provided in subsection  
17 (G).

18 (3) For school districts maintaining grades kindergarten  
19 through 12, local property tax revenues per pupil shall be  
20 calculated as the product of the applicable equalized  
21 assessed valuation for the district multiplied by 3.00%, and  
22 divided by the district's Average Daily Attendance figure.  
23 For school districts maintaining grades kindergarten through  
24 8, local property tax revenues per pupil shall be calculated  
25 as the product of the applicable equalized assessed valuation  
26 for the district multiplied by 2.30%, and divided by the  
27 district's Average Daily Attendance figure. For school  
28 districts maintaining grades 9 through 12, local property tax  
29 revenues per pupil shall be the applicable equalized assessed  
30 valuation of the district multiplied by 1.05%, and divided by  
31 the district's Average Daily Attendance figure.

32 (4) The Corporate Personal Property Replacement Taxes  
33 paid to each school district during the calendar year 2 years  
34 before the calendar year in which a school year begins,

1 divided by the Average Daily Attendance figure for that  
2 district, shall be added to the local property tax revenues  
3 per pupil as derived by the application of the immediately  
4 preceding paragraph (3). The sum of these per pupil figures  
5 for each school district shall constitute Available Local  
6 Resources as that term is utilized in subsection (E) in the  
7 calculation of general State aid.

8 (E) Computation of General State Aid.

9 (1) For each school year, the amount of general State  
10 aid allotted to a school district shall be computed by the  
11 State Board of Education as provided in this subsection.

12 (2) For any school district for which Available Local  
13 Resources per pupil is less than the product of 0.93 times  
14 the Foundation Level, general State aid for that district  
15 shall be calculated as an amount equal to the Foundation  
16 Level minus Available Local Resources, multiplied by the  
17 Average Daily Attendance of the school district.

18 (3) For any school district for which Available Local  
19 Resources per pupil is equal to or greater than the product  
20 of 0.93 times the Foundation Level and less than the product  
21 of 1.75 times the Foundation Level, the general State aid per  
22 pupil shall be a decimal proportion of the Foundation Level  
23 derived using a linear algorithm. Under this linear  
24 algorithm, the calculated general State aid per pupil shall  
25 decline in direct linear fashion from 0.07 times the  
26 Foundation Level for a school district with Available Local  
27 Resources equal to the product of 0.93 times the Foundation  
28 Level, to 0.05 times the Foundation Level for a school  
29 district with Available Local Resources equal to the product  
30 of 1.75 times the Foundation Level. The allocation of  
31 general State aid for school districts subject to this  
32 paragraph 3 shall be the calculated general State aid per  
33 pupil figure multiplied by the Average Daily Attendance of  
34 the school district.

1           (4) For any school district for which Available Local  
2 Resources per pupil equals or exceeds the product of 1.75  
3 times the Foundation Level, the general State aid for the  
4 school district shall be calculated as the product of \$218  
5 multiplied by the Average Daily Attendance of the school  
6 district.

7           (5) The amount of general State aid allocated to a  
8 school district for the 1999-2000 school year meeting the  
9 requirements set forth in paragraph (4) of subsection (G)  
10 shall be increased by an amount equal to the general State  
11 aid that would have been received by the district for the  
12 1998-1999 school year by utilizing the Extension Limitation  
13 Equalized Assessed Valuation as calculated in paragraph (4)  
14 of subsection (G) less the general State aid allotted for the  
15 1998-1999 school year. This amount shall be deemed a one  
16 time increase, and shall not affect any future general State  
17 aid allocations.

18       (F) Compilation of Average Daily Attendance.

19           (1) Each school district shall, by July 1 of each year,  
20 submit to the State Board of Education, on forms prescribed  
21 by the State Board of Education, attendance figures for the  
22 school year that began in the preceding calendar year. The  
23 attendance information so transmitted shall identify the  
24 average daily attendance figures for each month of the school  
25 year, except that any days of attendance in August shall be  
26 added to the month of September and any days of attendance in  
27 June shall be added to the month of May.

28           Except as otherwise provided in this Section, days of  
29 attendance by pupils shall be counted only for sessions of  
30 not less than 5 clock hours of school work per day under  
31 direct supervision of: (i) teachers, or (ii) non-teaching  
32 personnel or volunteer personnel when engaging in  
33 non-teaching duties and supervising in those instances  
34 specified in subsection (a) of Section 10-22.34 and paragraph

1 10 of Section 34-18, with pupils of legal school age and in  
2 kindergarten and grades 1 through 12.

3 Days of attendance by tuition pupils shall be accredited  
4 only to the districts that pay the tuition to a recognized  
5 school.

6 (2) Days of attendance by pupils of less than 5 clock  
7 hours of school shall be subject to the following provisions  
8 in the compilation of Average Daily Attendance.

9 (a) Pupils regularly enrolled in a public school  
10 for only a part of the school day may be counted on the  
11 basis of 1/6 day for every class hour of instruction of  
12 40 minutes or more attended pursuant to such enrollment.

13 (b) Days of attendance may be less than 5 clock  
14 hours on the opening and closing of the school term, and  
15 upon the first day of pupil attendance, if preceded by a  
16 day or days utilized as an institute or teachers'  
17 workshop.

18 (c) A session of 4 or more clock hours may be  
19 counted as a day of attendance upon certification by the  
20 regional superintendent, and approved by the State  
21 Superintendent of Education to the extent that the  
22 district has been forced to use daily multiple sessions.

23 (d) A session of 3 or more clock hours may be  
24 counted as a day of attendance (1) when the remainder of  
25 the school day or at least 2 hours in the evening of that  
26 day is utilized for an in-service training program for  
27 teachers, up to a maximum of 5 days per school year of  
28 which a maximum of 4 days of such 5 days may be used for  
29 parent-teacher conferences, provided a district conducts  
30 an in-service training program for teachers which has  
31 been approved by the State Superintendent of Education;  
32 or, in lieu of 4 such days, 2 full days may be used, in  
33 which event each such day may be counted as a day of  
34 attendance; and (2) when days in addition to those

1 provided in item (1) are scheduled by a school pursuant  
2 to its school improvement plan adopted under Article 34  
3 or its revised or amended school improvement plan adopted  
4 under Article 2, provided that (i) such sessions of 3 or  
5 more clock hours are scheduled to occur at regular  
6 intervals, (ii) the remainder of the school days in which  
7 such sessions occur are utilized for in-service training  
8 programs or other staff development activities for  
9 teachers, and (iii) a sufficient number of minutes of  
10 school work under the direct supervision of teachers are  
11 added to the school days between such regularly scheduled  
12 sessions to accumulate not less than the number of  
13 minutes by which such sessions of 3 or more clock hours  
14 fall short of 5 clock hours. Any full days used for the  
15 purposes of this paragraph shall not be considered for  
16 computing average daily attendance. Days scheduled for  
17 in-service training programs, staff development  
18 activities, or parent-teacher conferences may be  
19 scheduled separately for different grade levels and  
20 different attendance centers of the district.

21 (e) A session of not less than one clock hour of  
22 teaching hospitalized or homebound pupils on-site or by  
23 telephone to the classroom may be counted as 1/2 day of  
24 attendance, however these pupils must receive 4 or more  
25 clock hours of instruction to be counted for a full day  
26 of attendance.

27 (f) A session of at least 4 clock hours may be  
28 counted as a day of attendance for first grade pupils,  
29 and pupils in full day kindergartens, and a session of 2  
30 or more hours may be counted as 1/2 day of attendance by  
31 pupils in kindergartens which provide only 1/2 day of  
32 attendance.

33 (g) For children with disabilities who are below  
34 the age of 6 years and who cannot attend 2 or more clock

1 hours because of their disability or immaturity, a  
2 session of not less than one clock hour may be counted as  
3 1/2 day of attendance; however for such children whose  
4 educational needs so require a session of 4 or more clock  
5 hours may be counted as a full day of attendance.

6 (h) A recognized kindergarten which provides for  
7 only 1/2 day of attendance by each pupil shall not have  
8 more than 1/2 day of attendance counted in any one day.  
9 However, kindergartens may count 2 1/2 days of attendance  
10 in any 5 consecutive school days. When a pupil attends  
11 such a kindergarten for 2 half days on any one school  
12 day, the pupil shall have the following day as a day  
13 absent from school, unless the school district obtains  
14 permission in writing from the State Superintendent of  
15 Education. Attendance at kindergartens which provide for  
16 a full day of attendance by each pupil shall be counted  
17 the same as attendance by first grade pupils. Only the  
18 first year of attendance in one kindergarten shall be  
19 counted, except in case of children who entered the  
20 kindergarten in their fifth year whose educational  
21 development requires a second year of kindergarten as  
22 determined under the rules and regulations of the State  
23 Board of Education.

24 (G) Equalized Assessed Valuation Data.

25 (1) For purposes of the calculation of Available Local  
26 Resources required pursuant to subsection (D), the State  
27 Board of Education shall secure from the Department of  
28 Revenue the value as equalized or assessed by the Department  
29 of Revenue of all taxable property of every school district,  
30 together with (i) the applicable tax rate used in extending  
31 taxes for the funds of the district as of September 30 of the  
32 previous year and (ii) the limiting rate for all school  
33 districts subject to property tax extension limitations as  
34 imposed under the Property Tax Extension Limitation Law.

1           This equalized assessed valuation, as adjusted further by  
2 the requirements of this subsection, shall be utilized in the  
3 calculation of Available Local Resources.

4           (2) The equalized assessed valuation in paragraph (1)  
5 shall be adjusted, as applicable, in the following manner:

6           (a) For the purposes of calculating State aid under  
7 this Section, with respect to any part of a school  
8 district within a redevelopment project area in respect  
9 to which a municipality has adopted tax increment  
10 allocation financing pursuant to the Tax Increment  
11 Allocation Redevelopment Act, Sections 11-74.4-1 through  
12 11-74.4-11 of the Illinois Municipal Code or the  
13 Industrial Jobs Recovery Law, Sections 11-74.6-1 through  
14 11-74.6-50 of the Illinois Municipal Code, no part of the  
15 current equalized assessed valuation of real property  
16 located in any such project area which is attributable to  
17 an increase above the total initial equalized assessed  
18 valuation of such property shall be used as part of the  
19 equalized assessed valuation of the district, until such  
20 time as all redevelopment project costs have been paid,  
21 as provided in Section 11-74.4-8 of the Tax Increment  
22 Allocation Redevelopment Act or in Section 11-74.6-35 of  
23 the Industrial Jobs Recovery Law. For the purpose of the  
24 equalized assessed valuation of the district, the total  
25 initial equalized assessed valuation or the current  
26 equalized assessed valuation, whichever is lower, shall  
27 be used until such time as all redevelopment project  
28 costs have been paid.

29           (b) The real property equalized assessed valuation  
30 for a school district shall be adjusted by subtracting  
31 from the real property value as equalized or assessed by  
32 the Department of Revenue for the district an amount  
33 computed by dividing the amount of any abatement of taxes  
34 under Section 18-170 of the Property Tax Code by 3.00%

1 for a district maintaining grades kindergarten through  
2 12, by 2.30% for a district maintaining grades  
3 kindergarten through 8, or by 1.05% for a district  
4 maintaining grades 9 through 12 and adjusted by an amount  
5 computed by dividing the amount of any abatement of taxes  
6 under subsection (a) of Section 18-165 of the Property  
7 Tax Code by the same percentage rates for district type  
8 as specified in this subparagraph (b).

9 (3) For the 1999-2000 school year and each school year  
10 thereafter, if a school district meets all of the criteria of  
11 this subsection (G)(3), the school district's Available Local  
12 Resources shall be calculated under subsection (D) using the  
13 district's Extension Limitation Equalized Assessed Valuation  
14 as calculated under this subsection (G)(3).

15 For purposes of this subsection (G)(3) the following  
16 terms shall have the following meanings:

17 "Budget Year": The school year for which general  
18 State aid is calculated and awarded under subsection (E).

19 "Base Tax Year": The property tax levy year used to  
20 calculate the Budget Year allocation of general State  
21 aid.

22 "Preceding Tax Year": The property tax levy year  
23 immediately preceding the Base Tax Year.

24 "Base Tax Year's Tax Extension": The product of the  
25 equalized assessed valuation utilized by the County Clerk  
26 in the Base Tax Year multiplied by the limiting rate as  
27 calculated by the County Clerk and defined in the  
28 Property Tax Extension Limitation Law.

29 "Preceding Tax Year's Tax Extension": The product of  
30 the equalized assessed valuation utilized by the County  
31 Clerk in the Preceding Tax Year multiplied by the  
32 Operating Tax Rate as defined in subsection (A).

33 "Extension Limitation Ratio": A numerical ratio,  
34 certified by the County Clerk, in which the numerator is

1 the Base Tax Year's Tax Extension and the denominator is  
2 the Preceding Tax Year's Tax Extension.

3 "Operating Tax Rate": The operating tax rate as  
4 defined in subsection (A).

5 If a school district is subject to property tax extension  
6 limitations as imposed under the Property Tax Extension  
7 Limitation Law, and if the Available Local Resources of that  
8 school district as calculated pursuant to subsection (D)  
9 using the Base Tax Year are less than the product of 1.75  
10 times the Foundation Level for the Budget Year, the State  
11 Board of Education shall calculate the Extension Limitation  
12 Equalized Assessed Valuation of that district. For the  
13 1999-2000 school year, the Extension Limitation Equalized  
14 Assessed Valuation of a school district as calculated by the  
15 State Board of Education shall be equal to the product of the  
16 district's 1996 Equalized Assessed Valuation and the  
17 district's Extension Limitation Ratio. For the 2000-2001  
18 school year and each school year thereafter, the Extension  
19 Limitation Equalized Assessed Valuation of a school district  
20 as calculated by the State Board of Education shall be equal  
21 to the product of the last calculated Extension Limitation  
22 Equalized Assessed Valuation and the district's Extension  
23 Limitation Ratio. If the Extension Limitation Equalized  
24 Assessed Valuation of a school district as calculated under  
25 this subsection (G)(3) is less than the district's equalized  
26 assessed valuation as calculated pursuant to subsections  
27 (G)(1) and (G)(2), then for purposes of calculating the  
28 district's general State aid for the Budget Year pursuant to  
29 subsection (E), that Extension Limitation Equalized Assessed  
30 Valuation shall be utilized to calculate the district's  
31 Available Local Resources under subsection (D).

32 (4) For the purposes of calculating general State aid  
33 for the 1999-2000 school year only, if a school district  
34 experienced a triennial reassessment on the equalized

1 assessed valuation used in calculating its general State  
2 financial aid apportionment for the 1998-1999 school year,  
3 the State Board of Education shall calculate the Extension  
4 Limitation Equalized Assessed Valuation that would have been  
5 used to calculate the district's 1998-1999 general State aid.  
6 This amount shall equal the product of the equalized assessed  
7 valuation used to calculate general State aid for the  
8 1997-1998 school year and the district's Extension Limitation  
9 Ratio. If the Extension Limitation Equalized Assessed  
10 Valuation of the school district as calculated under this  
11 paragraph (4) is less than the district's equalized assessed  
12 valuation utilized in calculating the district's 1998-1999  
13 general State aid allocation, then for purposes of  
14 calculating the district's general State aid pursuant to  
15 paragraph (5) of subsection (E), that Extension Limitation  
16 Equalized Assessed Valuation shall be utilized to calculate  
17 the district's Available Local Resources.

18 (5) For school districts having a majority of their  
19 equalized assessed valuation in any county except Cook,  
20 DuPage, Kane, Lake, McHenry, or Will, if the amount of  
21 general State aid allocated to the school district for the  
22 1999-2000 school year under the provisions of subsection (E),  
23 (H), and (J) of this Section is less than the amount of  
24 general State aid allocated to the district for the 1998-1999  
25 school year under these subsections, then the general State  
26 aid of the district for the 1999-2000 school year only shall  
27 be increased by the difference between these amounts. The  
28 total payments made under this paragraph (5) shall not exceed  
29 \$14,000,000. Claims shall be prorated if they exceed  
30 \$14,000,000.

31 (H) Supplemental General State Aid.

32 (1) In addition to the general State aid a school  
33 district is allotted pursuant to subsection (E), qualifying  
34 school districts shall receive a grant, paid in conjunction

1 with a district's payments of general State aid, for  
2 supplemental general State aid based upon the concentration  
3 level of children from low-income households within the  
4 school district. Supplemental State aid grants provided for  
5 school districts under this subsection shall be appropriated  
6 for distribution to school districts as part of the same line  
7 item in which the general State financial aid of school  
8 districts is appropriated under this Section. For purposes of  
9 this subsection, the term "Low-Income Concentration Level"  
10 shall be the low-income eligible pupil count from the most  
11 recently available federal census divided by the Average  
12 Daily Attendance of the school district. If, however, the  
13 percentage decrease from the 2 most recent federal censuses  
14 in the low-income eligible pupil count of a high school  
15 district with fewer than 400 students exceeds by 75% or more  
16 the percentage change in the total low-income eligible pupil  
17 count of contiguous elementary school districts, whose  
18 boundaries are coterminous with the high school district, the  
19 high school district's low-income eligible pupil count from  
20 the earlier federal census shall be the number used as the  
21 low-income eligible pupil count for the high school district,  
22 for purposes of this subsection (H).

23 (2) Supplemental general State aid pursuant to this  
24 subsection shall be provided as follows:

25 (a) For any school district with a Low Income  
26 Concentration Level of at least 20% and less than 35%,  
27 the grant for any school year shall be \$800 multiplied by  
28 the low income eligible pupil count.

29 (b) For any school district with a Low Income  
30 Concentration Level of at least 35% and less than 50%,  
31 the grant for the 1998-1999 school year shall be \$1,100  
32 multiplied by the low income eligible pupil count.

33 (c) For any school district with a Low Income  
34 Concentration Level of at least 50% and less than 60%,

1 the grant for the 1998-99 school year shall be \$1,500  
2 multiplied by the low income eligible pupil count.

3 (d) For any school district with a Low Income  
4 Concentration Level of 60% or more, the grant for the  
5 1998-99 school year shall be \$1,900 multiplied by the low  
6 income eligible pupil count.

7 (e) For the 1999-2000 school year, the per pupil  
8 amount specified in subparagraphs (b), (c), and (d)  
9 immediately above shall be increased to \$1,243, \$1,600,  
10 and \$2,000, respectively.

11 (f) For the 2000-2001 school year, the per pupil  
12 amounts specified in subparagraphs (b), (c), and (d)  
13 immediately above shall be \$1,273, \$1,640, and \$2,050,  
14 respectively.

15 (3) School districts with an Average Daily Attendance of  
16 more than 1,000 and less than 50,000 that qualify for  
17 supplemental general State aid pursuant to this subsection  
18 shall submit a plan to the State Board of Education prior to  
19 October 30 of each year for the use of the funds resulting  
20 from this grant of supplemental general State aid for the  
21 improvement of instruction in which priority is given to  
22 meeting the education needs of disadvantaged children. Such  
23 plan shall be submitted in accordance with rules and  
24 regulations promulgated by the State Board of Education.

25 (4) School districts with an Average Daily Attendance of  
26 50,000 or more that qualify for supplemental general State  
27 aid pursuant to this subsection shall be required to  
28 distribute from funds available pursuant to this Section, no  
29 less than \$261,000,000 in accordance with the following  
30 requirements:

31 (a) The required amounts shall be distributed to  
32 the attendance centers within the district in proportion  
33 to the number of pupils enrolled at each attendance  
34 center who are eligible to receive free or reduced-price

1 lunches or breakfasts under the federal Child Nutrition  
2 Act of 1966 and under the National School Lunch Act  
3 during the immediately preceding school year.

4 (b) The distribution of these portions of  
5 supplemental and general State aid among attendance  
6 centers according to these requirements shall not be  
7 compensated for or contravened by adjustments of the  
8 total of other funds appropriated to any attendance  
9 centers, and the Board of Education shall utilize funding  
10 from one or several sources in order to fully implement  
11 this provision annually prior to the opening of school.

12 (c) Each attendance center shall be provided by the  
13 school district a distribution of noncategorical funds  
14 and other categorical funds to which an attendance center  
15 is entitled under law in order that the general State aid  
16 and supplemental general State aid provided by  
17 application of this subsection supplements rather than  
18 supplants the noncategorical funds and other categorical  
19 funds provided by the school district to the attendance  
20 centers.

21 (d) Any funds made available under this subsection  
22 that by reason of the provisions of this subsection are  
23 not required to be allocated and provided to attendance  
24 centers may be used and appropriated by the board of the  
25 district for any lawful school purpose.

26 (e) Funds received by an attendance center pursuant  
27 to this subsection shall be used by the attendance center  
28 at the discretion of the principal and local school  
29 council for programs to improve educational opportunities  
30 at qualifying schools through the following programs and  
31 services: early childhood education, reduced class size  
32 or improved adult to student classroom ratio, enrichment  
33 programs, remedial assistance, attendance improvement,  
34 and other educationally beneficial expenditures which

1 supplement the regular and basic programs as determined  
2 by the State Board of Education. Funds provided shall  
3 not be expended for any political or lobbying purposes as  
4 defined by board rule.

5 (f) Each district subject to the provisions of this  
6 subdivision (H)(4) shall submit an acceptable plan to  
7 meet the educational needs of disadvantaged children, in  
8 compliance with the requirements of this paragraph, to  
9 the State Board of Education prior to July 15 of each  
10 year. This plan shall be consistent with the decisions of  
11 local school councils concerning the school expenditure  
12 plans developed in accordance with part 4 of Section  
13 34-2.3. The State Board shall approve or reject the plan  
14 within 60 days after its submission. If the plan is  
15 rejected, the district shall give written notice of  
16 intent to modify the plan within 15 days of the  
17 notification of rejection and then submit a modified plan  
18 within 30 days after the date of the written notice of  
19 intent to modify. Districts may amend approved plans  
20 pursuant to rules promulgated by the State Board of  
21 Education.

22 Upon notification by the State Board of Education  
23 that the district has not submitted a plan prior to July  
24 15 or a modified plan within the time period specified  
25 herein, the State aid funds affected by that plan or  
26 modified plan shall be withheld by the State Board of  
27 Education until a plan or modified plan is submitted.

28 If the district fails to distribute State aid to  
29 attendance centers in accordance with an approved plan,  
30 the plan for the following year shall allocate funds, in  
31 addition to the funds otherwise required by this  
32 subsection, to those attendance centers which were  
33 underfunded during the previous year in amounts equal to  
34 such underfunding.

1           For purposes of determining compliance with this  
2 subsection in relation to the requirements of attendance  
3 center funding, each district subject to the provisions  
4 of this subsection shall submit as a separate document by  
5 December 1 of each year a report of expenditure data for  
6 the prior year in addition to any modification of its  
7 current plan. If it is determined that there has been a  
8 failure to comply with the expenditure provisions of this  
9 subsection regarding contravention or supplanting, the  
10 State Superintendent of Education shall, within 60 days  
11 of receipt of the report, notify the district and any  
12 affected local school council. The district shall within  
13 45 days of receipt of that notification inform the State  
14 Superintendent of Education of the remedial or corrective  
15 action to be taken, whether by amendment of the current  
16 plan, if feasible, or by adjustment in the plan for the  
17 following year. Failure to provide the expenditure  
18 report or the notification of remedial or corrective  
19 action in a timely manner shall result in a withholding  
20 of the affected funds.

21           The State Board of Education shall promulgate rules  
22 and regulations to implement the provisions of this  
23 subsection. No funds shall be released under this  
24 subdivision (H)(4) to any district that has not submitted  
25 a plan that has been approved by the State Board of  
26 Education.

27 (I) General State Aid for Newly Configured School Districts.

28           (1) For a new school district formed by combining  
29 property included totally within 2 or more previously  
30 existing school districts, for its first year of existence  
31 the general State aid and supplemental general State aid  
32 calculated under this Section shall be computed for the new  
33 district and for the previously existing districts for which  
34 property is totally included within the new district. If the

1 computation on the basis of the previously existing districts  
2 is greater, a supplementary payment equal to the difference  
3 shall be made for the first 4 years of existence of the new  
4 district.

5 (2) For a school district which annexes all of the  
6 territory of one or more entire other school districts, for  
7 the first year during which the change of boundaries  
8 attributable to such annexation becomes effective for all  
9 purposes as determined under Section 7-9 or 7A-8, the general  
10 State aid and supplemental general State aid calculated under  
11 this Section shall be computed for the annexing district as  
12 constituted after the annexation and for the annexing and  
13 each annexed district as constituted prior to the annexation;  
14 and if the computation on the basis of the annexing and  
15 annexed districts as constituted prior to the annexation is  
16 greater, a supplementary payment equal to the difference  
17 shall be made for the first 4 years of existence of the  
18 annexing school district as constituted upon such annexation.

19 (3) For 2 or more school districts which annex all of  
20 the territory of one or more entire other school districts,  
21 and for 2 or more community unit districts which result upon  
22 the division (pursuant to petition under Section 11A-2) of  
23 one or more other unit school districts into 2 or more parts  
24 and which together include all of the parts into which such  
25 other unit school district or districts are so divided, for  
26 the first year during which the change of boundaries  
27 attributable to such annexation or division becomes effective  
28 for all purposes as determined under Section 7-9 or 11A-10,  
29 as the case may be, the general State aid and supplemental  
30 general State aid calculated under this Section shall be  
31 computed for each annexing or resulting district as  
32 constituted after the annexation or division and for each  
33 annexing and annexed district, or for each resulting and  
34 divided district, as constituted prior to the annexation or

1 division; and if the aggregate of the general State aid and  
2 supplemental general State aid as so computed for the  
3 annexing or resulting districts as constituted after the  
4 annexation or division is less than the aggregate of the  
5 general State aid and supplemental general State aid as so  
6 computed for the annexing and annexed districts, or for the  
7 resulting and divided districts, as constituted prior to the  
8 annexation or division, then a supplementary payment equal to  
9 the difference shall be made and allocated between or among  
10 the annexing or resulting districts, as constituted upon such  
11 annexation or division, for the first 4 years of their  
12 existence. The total difference payment shall be allocated  
13 between or among the annexing or resulting districts in the  
14 same ratio as the pupil enrollment from that portion of the  
15 annexed or divided district or districts which is annexed to  
16 or included in each such annexing or resulting district bears  
17 to the total pupil enrollment from the entire annexed or  
18 divided district or districts, as such pupil enrollment is  
19 determined for the school year last ending prior to the date  
20 when the change of boundaries attributable to the annexation  
21 or division becomes effective for all purposes. The amount  
22 of the total difference payment and the amount thereof to be  
23 allocated to the annexing or resulting districts shall be  
24 computed by the State Board of Education on the basis of  
25 pupil enrollment and other data which shall be certified to  
26 the State Board of Education, on forms which it shall provide  
27 for that purpose, by the regional superintendent of schools  
28 for each educational service region in which the annexing and  
29 annexed districts, or resulting and divided districts are  
30 located.

31 (3.5) Claims for financial assistance under this  
32 subsection (I) shall not be recomputed except as expressly  
33 provided under this Section.

34 (4) Any supplementary payment made under this subsection

1 (I) shall be treated as separate from all other payments made  
2 pursuant to this Section.

3 (J) Supplementary Grants in Aid.

4 (1) Notwithstanding any other provisions of this  
5 Section, the amount of the aggregate general State aid in  
6 combination with supplemental general State aid under this  
7 Section for which each school district is eligible shall be  
8 no less than the amount of the aggregate general State aid  
9 entitlement that was received by the district under Section  
10 18-8 (exclusive of amounts received under subsections 5(p)  
11 and 5(p-5) of that Section) for the 1997-98 school year,  
12 pursuant to the provisions of that Section as it was then in  
13 effect. If a school district qualifies to receive a  
14 supplementary payment made under this subsection (J), the  
15 amount of the aggregate general State aid in combination with  
16 supplemental general State aid under this Section which that  
17 district is eligible to receive for each school year shall be  
18 no less than the amount of the aggregate general State aid  
19 entitlement that was received by the district under Section  
20 18-8 (exclusive of amounts received under subsections 5(p)  
21 and 5(p-5) of that Section) for the 1997-1998 school year,  
22 pursuant to the provisions of that Section as it was then in  
23 effect.

24 (2) If, as provided in paragraph (1) of this subsection  
25 (J), a school district is to receive aggregate general State  
26 aid in combination with supplemental general State aid under  
27 this Section for the 1998-99 school year and any subsequent  
28 school year that in any such school year is less than the  
29 amount of the aggregate general State aid entitlement that  
30 the district received for the 1997-98 school year, the school  
31 district shall also receive, from a separate appropriation  
32 made for purposes of this subsection (J), a supplementary  
33 payment that is equal to the amount of the difference in the  
34 aggregate State aid figures as described in paragraph (1).

1 (3) (Blank).

2 (K) Grants to Laboratory and Alternative Schools.

3 In calculating the amount to be paid to the governing  
4 board of a public university that operates a laboratory  
5 school under this Section or to any alternative school that  
6 is operated by a regional superintendent of schools, the  
7 State Board of Education shall require by rule such reporting  
8 requirements as it deems necessary.

9 As used in this Section, "laboratory school" means a  
10 public school which is created and operated by a public  
11 university and approved by the State Board of Education. The  
12 governing board of a public university which receives funds  
13 from the State Board under this subsection (K) may not  
14 increase the number of students enrolled in its laboratory  
15 school from a single district, if that district is already  
16 sending 50 or more students, except under a mutual agreement  
17 between the school board of a student's district of residence  
18 and the university which operates the laboratory school. A  
19 laboratory school may not have more than 1,000 students,  
20 excluding students with disabilities in a special education  
21 program.

22 As used in this Section, "alternative school" means a  
23 public school which is created and operated by a Regional  
24 Superintendent of Schools and approved by the State Board of  
25 Education. Such alternative schools may offer courses of  
26 instruction for which credit is given in regular school  
27 programs, courses to prepare students for the high school  
28 equivalency testing program or vocational and occupational  
29 training. A regional superintendent of schools may contract  
30 with a school district or a public community college district  
31 to operate an alternative school. An alternative school  
32 serving more than one educational service region may be  
33 established by the regional superintendents of schools of the  
34 affected educational service regions. An alternative school

1 serving more than one educational service region may be  
2 operated under such terms as the regional superintendents of  
3 schools of those educational service regions may agree.

4 Each laboratory and alternative school shall file, on  
5 forms provided by the State Superintendent of Education, an  
6 annual State aid claim which states the Average Daily  
7 Attendance of the school's students by month. The best 3  
8 months' Average Daily Attendance shall be computed for each  
9 school. The general State aid entitlement shall be computed  
10 by multiplying the applicable Average Daily Attendance by the  
11 Foundation Level as determined under this Section.

12 (L) Payments, Additional Grants in Aid and Other  
13 Requirements.

14 (1) For a school district operating under the financial  
15 supervision of an Authority created under Article 34A, the  
16 general State aid otherwise payable to that district under  
17 this Section, but not the supplemental general State aid,  
18 shall be reduced by an amount equal to the budget for the  
19 operations of the Authority as certified by the Authority to  
20 the State Board of Education, and an amount equal to such  
21 reduction shall be paid to the Authority created for such  
22 district for its operating expenses in the manner provided in  
23 Section 18-11. The remainder of general State school aid for  
24 any such district shall be paid in accordance with Article  
25 34A when that Article provides for a disposition other than  
26 that provided by this Article.

27 (2) (Blank).

28 (3) Summer school. Summer school payments shall be made  
29 as provided in Section 18-4.3.

30 (M) Education Funding Advisory Board.

31 The Education Funding Advisory Board, hereinafter in this  
32 subsection (M) referred to as the "Board", is hereby created.  
33 The Board shall consist of 5 members who are appointed by the

1 Governor, by and with the advice and consent of the Senate.  
2 The members appointed shall include representatives of  
3 education, business, and the general public. One of the  
4 members so appointed shall be designated by the Governor at  
5 the time the appointment is made as the chairperson of the  
6 Board. The initial members of the Board may be appointed any  
7 time after the effective date of this amendatory Act of 1997.  
8 The regular term of each member of the Board shall be for 4  
9 years from the third Monday of January of the year in which  
10 the term of the member's appointment is to commence, except  
11 that of the 5 initial members appointed to serve on the  
12 Board, the member who is appointed as the chairperson shall  
13 serve for a term that commences on the date of his or her  
14 appointment and expires on the third Monday of January, 2002,  
15 and the remaining 4 members, by lots drawn at the first  
16 meeting of the Board that is held after all 5 members are  
17 appointed, shall determine 2 of their number to serve for  
18 terms that commence on the date of their respective  
19 appointments and expire on the third Monday of January, 2001,  
20 and 2 of their number to serve for terms that commence on the  
21 date of their respective appointments and expire on the third  
22 Monday of January, 2000. All members appointed to serve on  
23 the Board shall serve until their respective successors are  
24 appointed and confirmed. Vacancies shall be filled in the  
25 same manner as original appointments. If a vacancy in  
26 membership occurs at a time when the Senate is not in  
27 session, the Governor shall make a temporary appointment  
28 until the next meeting of the Senate, when he or she shall  
29 appoint, by and with the advice and consent of the Senate, a  
30 person to fill that membership for the unexpired term. If  
31 the Senate is not in session when the initial appointments  
32 are made, those appointments shall be made as in the case of  
33 vacancies.

34 The Education Funding Advisory Board shall be deemed

1 established, and the initial members appointed by the  
2 Governor to serve as members of the Board shall take office,  
3 on the date that the Governor makes his or her appointment of  
4 the fifth initial member of the Board, whether those initial  
5 members are then serving pursuant to appointment and  
6 confirmation or pursuant to temporary appointments that are  
7 made by the Governor as in the case of vacancies.

8 The State Board of Education shall provide such staff  
9 assistance to the Education Funding Advisory Board as is  
10 reasonably required for the proper performance by the Board  
11 of its responsibilities.

12 For school years after the 2000-2001 school year, the  
13 Education Funding Advisory Board, in consultation with the  
14 State Board of Education, shall make recommendations as  
15 provided in this subsection (M) to the General Assembly for  
16 the foundation level under subdivision (B)(3) of this Section  
17 and for the supplemental general State aid grant level under  
18 subsection (H) of this Section for districts with high  
19 concentrations of children from poverty. The recommended  
20 foundation level shall be determined based on a methodology  
21 which incorporates the basic education expenditures of  
22 low-spending schools exhibiting high academic performance.  
23 The Education Funding Advisory Board shall make such  
24 recommendations to the General Assembly on January 1 of odd  
25 numbered years, beginning January 1, 2001.

26 (N) (Blank).

27 (O) References.

28 (1) References in other laws to the various subdivisions  
29 of Section 18-8 as that Section existed before its repeal and  
30 replacement by this Section 18-8.05 shall be deemed to refer  
31 to the corresponding provisions of this Section 18-8.05, to  
32 the extent that those references remain applicable.

33 (2) References in other laws to State Chapter 1 funds

1 shall be deemed to refer to the supplemental general State  
2 aid provided under subsection (H) of this Section.

3 (Source: P.A. 90-548, eff. 7-1-98; incorporates 90-566;  
4 90-653, eff. 7-29-98; 90-654, eff. 7-29-98; 90-655, eff.  
5 7-30-98; 90-802, eff. 12-15-98; 90-815, eff. 2-11-99; 91-24,  
6 eff. 7-1-99; 91-93, eff. 7-9-99; 91-96, eff. 7-9-99; 91-111,  
7 eff. 7-14-99; 91-357, eff. 7-29-99; 91-533, eff. 8-13-99;  
8 revised 8-27-99.)